



KONINKLIJKE
VERENIGING VAN
NEDERLANDSE
REDERS

What if we can finance the future today?

25 March 2021



Agenda

- ▶ A good starting point
- ▶ How to move capital sustainably
- ▶ Financing tomorrow's technologies by financing those of today
- ▶ Building a new business case: the toolkit
- ▶ A different approach to stranded assets

1. A good starting point





2. How to move capital sustainably

- ▶ There is enough capital > we have to look at the conditions
 - ▶ InvestEU guarantee > €26.2 billion
 - ▶ Funds of the European Investment Bank and the climate road map
 - ▶ Funds of the Connecting Europe Facility (Motorways of the SEA)
- ▶ Various (upcoming) environmental/ financial standards > aim should be to measure and report reduction of GHG emissions
 - ▶ Poseidon principles, EU Taxonomy, Climate Bonds Initiative
- ▶ 2050 is thirty years away > identify steps towards a sustainable shipping sector without destroying capital
- ▶ Reduce the risk of new technologies and value green transport

3. Financing tomorrow's technologies by financing those of today



- ▶ Cleaner proven technologies are available for newbuilt vessels or for retrofits to reduce greenhouse gases
- ▶ A truly sustainable fleet – in terms of climate and financial stability - is not created over night but it requires an adaptive long term strategy including a fuel such as LNG
- ▶ Vessels can be updated throughout their lifetime and for that a stable economic environment is needed

“Greece: Financing agreement for the construction of the first LNG bunkering vessel for maritime use in Eastern Mediterranean”

28 JANUARY 2020

SOURCE WWW.EIB.ORG



4. Building a new business case: the toolkit

- ▶ New technologies need to be 'de-risked':
 - ▶ For shipowners accessible technology neutral subsidies that support validation, introduction and upscaling of new(er) technologies
 - ▶ Governments need to target the amount of subsidies towards new(er) technologies
- ▶ The Netherlands have specific subsidies (e.g. for hydrogen), but quite a few on decarbonisation within one or more industries
- ▶ A combination of government guarantees and insurance and private capital (banks, pension funds) to increase long term loans
- ▶ Adaptive regulation that supports innovation and creates stability



5. A different approach to stranded assets

- ▶ Design mortgages with financial space to retrofit the vessel
- ▶ Make retrofits easier by design differently (modular design) in order to increase uptake of new technologies
- ▶ Discuss the plans of shipowners to renew the fleet and implement new(er) technologies
- ▶ Support long term contracts with charterers
- ▶ Choose an adaptive strategy in which the European fleet reduces GHG emissions substantially with every new vessel and/ or retrofit

6. Financing the future has started



Photo: Rotterdam May 2018

Rotterdam, 29 mei 2020

“Van Oord heeft als onderdeel van zijn financieringsstrategie een Green Loan Framework ontwikkeld. De eerste leningen die onder de overeenkomst vallen, zijn vorige week ondertekend door de Rabobank en BNP Paribas. De groene leningen passen binnen Van Oord's duurzaamheidsprogramma S.E.A en zijn gekoppeld aan de financiering van de drie nieuwe LNG sleepopperzuigers die momenteel bij Keppel FELS Limited in Singapore worden gebouwd.”

Source: <https://www.vanoord.com>